

# MORE FORGERS TO BE INDICTED.

## Other Men Implicated in the Lloyds Insurance Swindles.

### McAdam, Anthony and Vandergaw Had Prominent Associates in Their Operations.

#### Absolute Proof Obtained from Printer Coffin That the Charters Issued Were Fraudulent.

#### NONE OF THE FUGITIVES FOUND.

#### The Gang of Forgers Associated with Professional "Straw Bailers"—One of the Latter Captured in Jersey.

The investigation into the fraudulent character of the charters under which many Lloyds insurance companies are doing business in this city resulted in many startling discoveries yesterday.

Deputy Attorney-General Richards and Assistant District-Attorney Battle found that the frauds and forgery were far more widespread than they had deemed possible, and evidence was found which seems to strengthen the cases against the men already indicted.

No new indictments were found yesterday, but evidence was discovered which implicates many other men. Two of these men are officers of Lloyds insurance companies now carrying on business here, and it was shown that they not only assisted in forging several charters, but knowingly sold many worthless ones which had been forged by their associates.

Other evidence was secured which puts beyond all doubt the fact that David Vandergaw made a regular business of preparing bogus charters.

#### Insurance Men Astounded.

The publication of the fact that the investigation had progressed so far as to warrant the finding of indictments was a great surprise to insurance men of the city. They knew that the character of the Lloyds companies was being investigated, but had no idea that documentary proof would be obtained that many of the charters sold in the last few years were worthless.

Deputy Attorney-General Richards and Assistant District-Attorney Battle had made every endeavor to keep their work secret, and both were greatly annoyed at the publication of their plans and acts.

While refusing to admit that the indictments had been returned, they did not deny the fact, and both admitted that the investigation promised to result in wholesale arrests.

Neither Graham McAdam, Frank W. Anthony nor David Vandergaw, the three men indicted, has been arrested, and it is thought that they are out of the country. It was made known, however, which was the work of the investigators much easier. John C. Muller, alias John Golden, or Golding, was caught in Jersey City. He is an old associate of Michael J. Boylan, who is now in the Tombs. Muller was indicted by the Grand Jury in November last, under the name of Golden, for perjury in giving straw bail in the case of six Chinamen, who were charged with robbery. At that time he lived at No. 228 East Sixth street, and in some manner heard of his indictment and fled from the city.

#### Traced to Jersey City.

It was only recently that the detectives obtained a clue to his whereabouts. They learned that Muller removed from this city with his family to Paterson, N. J., then to Hoboken, and finally to No. 59 Bowers street, Jersey City Heights. He left his family there and went to Kalamazoo, Mich. While in the latter city one of his children died and he returned to Jersey City to attend the funeral.

Detectives Cuff and McNaught traced Muller and early yesterday morning arrested him on the bench warrant issued by Recorder Coffin. He was held to await the arrival of papers.

In Muller's possession was a sackful full of papers which had been used by Boylan and him in their straw bail business. Among these were some which throw much light on the actions of Anthony and his associates.

The new evidence which has just been discovered is regarded by those making the investigation as the most important they have obtained. It is a policy in the Columbus Fire Lloyds company, which is dated and purports to have been issued March 15, 1892. This policy in reality was not issued or printed until 1894, and was made some time in April of that year, and can be positively established by the man who printed the blank forms used in the case.

It was one of the papers put out by Vandergaw, and bears his signature. With him in business at the time were Frank W. Anthony, Graham McAdam and Herbert L. Smith, the latter of whom is now in the Tombs on another charge.

#### Printer Furnishes Proof.

When the members of the band wanted to form a new Lloyds association they went to the printing house of E. Coffin, at John and Dutch streets, where they had the blank forms printed. Mr. Coffin is one of the oldest printers of insurance stationery in the city, and Anthony seemed to think it would be a good thing to have his work done in the same shop where the policies of many of the largest stock companies were printed. From the latter part of 1893 to a few months ago he was a regular patron of the establishment, having blanks for nearly a score of companies printed.

In March, 1894, Anthony went to Mr. Coffin's printing house and ordered 200 "Columbus" policy blanks. These were printed and taken away by him. That the work was done in March, 1894, is shown by Mr. Coffin's books. In spite of this the policy now discovered bears the date of March 15, 1892. Attached to it is a formal acknowledgment before a notary public to the effect that the paper was signed in his presence on the day in question.

#### Mr. Coffin's Statements.

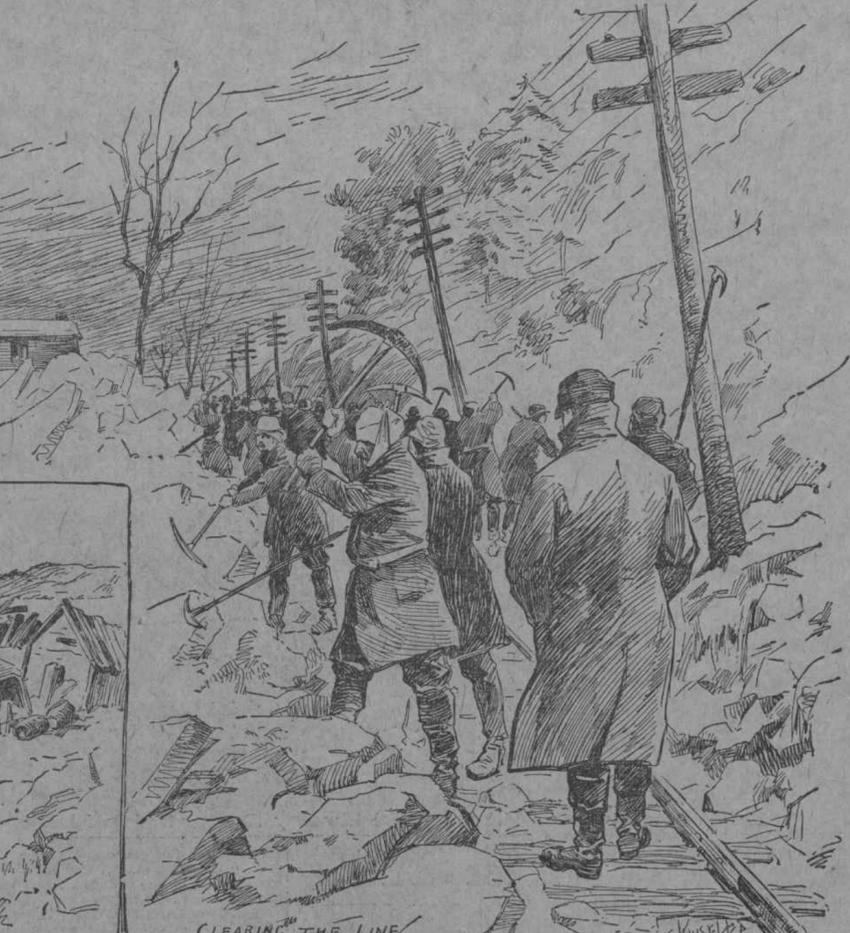
"I can swear that the blanks of the Columbus Fire Lloyds were printed in March, 1894," said Edward Coffin, yesterday. "I did not do any work for Anthony as early as 1892. The first that I remember was done in the fall of 1893. The Columbus blanks were printed in March, 1894. I know this by the records in our office, which are con-



THE REMAINS OF WALSH BROS. BRICK YARD.



THE WRECK OF MANN'S HOUSE.



CLEARING THE LINE.

### Damage Caused by the Ice Gorge in the Hudson.

The river became choked with blocks of ice below Albany, and the water ran over the ice, flooding the country for a distance of twenty miles. The grinding does knocked holes in the ice houses and lumber yards along the river front, and piled the tracks of the New York Central with debris. Six hundred men are at work with pick and shovel, trying to clear the track.



A SECTION OF THE TRACK.

fully kept, and show every job we do, with the date and name of the person ordering it. It is impossible that the work could have been done at any other date because, while I did a good deal of printing for Anthony and his partner, Smith, I never made out the same kind of blanks twice. They would order one hundred or two hundred blanks in the name of one company, and in a few days, perhaps, come for more blanks with a different name. Some of these were very fanciful. One man, named Irving, gave one of his companies the name of Irving and adorned the policies with a cut of Washington Irving.

#### OTHERS MAY BE INDICTED.

"I have printed blanks for dozens of their companies, and have a lot on hand now for which I was paid, but which were never called for. So far as I knew the policies were for legitimate companies. I knew Anthony's bad record, however, and would never begin a job unless he made a cash deposit. Then he had to pay the rest of the bill before he got the goods. In spite of my carelessness, however, he managed to beat me out of \$24. I would not trust Anthony under any circumstances. His partner, Hubert L. Smith, however, was much more trustworthy and seemed a very pleasant chap.

"As to the printing of the Columbus Fire Lloyds blanks, I can swear it was done in 1894. If the blanks had been filled out with the date earlier than that it shows the kind of business the men did."

#### OTHER EVIDENCE OF A SIMILAR CHARACTER

has been found, and will be made use of before the Grand Jury. Much of it implicates men whose names have not yet been given to the Grand Jury and who are now in this city conducting Lloyds companies and doing business with charters which they themselves made. One of these men appears on the advertisements of the company as its manager. He has been a prominent figure in the early work of the swindlers, and for a long time was a frequent figure in the former headquarters of the men at No. 123 Liberty street, where at one time were offices which were known to the members of the band as the "hatchery."

There dozens of the bogus policies were manufactured. The two men are being closely watched as the evidence against them becomes more certain.

#### SOUGHT BY THE POLICE.

All day yesterday the police were hunting for McAdam, Vandergaw and Anthony. No trace of them was found, though it was rumored that Anthony had been seen on Pine street during the afternoon. McAdam was to have appeared in Newark yesterday as attorney in a case. Detective Sergeants Cuff and McNaught, who have been detailed to assist Mr. Battle in the prosecution, went to Newark in the hope of catching, or at least getting some trace of their men. They did not succeed, but on their way back to this city captured John C. Muller.

Although they found no trace of Anthony, the detectives learned many interesting facts about his life. Anthony has been promoting "wildcat" and bogus Lloyds insurance companies for years. In 1885 he had the Anglo-American Fire Insurance Company of Washington, D. C. This failed as soon as he had collected a large sum in premiums. For his part in the failure he was arrested by the insurance authorities in this State, but got out of the scrape with a fine. Then he turned his attention to Virginia and West Virginia and organized several companies. One of these was the First National of Fredericksburg. To make this appear like a good concern he had the first charter printed numbered 50,001. By this and other companies he secured a good deal of money, but spent it rapidly.

#### Owner of Race Horses.

He is very fond of horses and owns two or three, which he runs at the Alexander St. and St. Asaph tracks. For a time he was a bookmaker at the Guttenberg and Gloucester tracks, but at each place "welched." The holders of winning tickets did not want to let him off easily and caused his arrest. In 1889 he was wanted

by the Jersey City police for passing worthless checks. He escaped by going to Montreal. For a time he ran a poker game in Brooklyn, but this was broken up by the police. Recently he had trouble with his wife and a year ago was arrested on complaint of Miss Lou Holmes. He still owes \$300 to the attorneys who defended him in the suit.

Anthony's father was also in the "wildcat" insurance business, and made a specialty of issuing policies on lumber yards and sawmills. He did not think it necessary to personally inspect the property he insured and conducted his business by mail, sending the policy as soon as he received the first premium. For some time his offices were in the Long Island Trust Company's building, in Montague street, Brooklyn.

He was arrested in New Jersey for his insurance swindles, and served a five-year sentence for using the mails for the purpose of fraud.

#### Vandergaw's Record.

Vandergaw's home is in Farmingdale, L. I., though for years he lived with his father and brother in Queens, L. I. A few months ago his father died, leaving considerable property. Vandergaw's specialty has been as a promoter of stock and bond companies, and the sale of worthless deeds. He has a sense of humor, and unloaded a quantity of these deeds upon some of his former associates. As a consequence, he is not popular with them. Getting hold of a small plot of land in West Virginia, he used it as the assets for a trust company, the bonds of which he sold.

It was largely through Joseph Hegeman that the evidence was secured upon which the indictments are based. He was not a manufacturer of charters, but used those made by Vandergaw, and started companies which promptly failed when Hegeman had taken in enough premiums to suit him. He was in the regular army for a time, and when his term expired began swindling operations in Leavenworth, Kan. For this he was convicted and served two years in prison. Later on he was arrested in Brooklyn for passing worthless checks, and got off with a sentence of thirty days in the Raymond Street Jail.

Finally he was appointed Postmaster at Bayville, L. I. There he embezzled the funds of the office. For this he is now serving an eight-year sentence in the Kings County Penitentiary.

### ALL CLAIM TO BE SOUND.

Statements Made by Managers of Several of the Lloyds Companies.

When those interested in the business of fire insurance reached their offices yesterday morning, and learned of the indictment of three men for the issuance of bogus Lloyds charters, the excitement was great. The insurance section is bounded on the north by Fulton street, south to Wall, and between those streets from Broadway to William street, and within these limits there was not a fire insurance man, from the president of an old life stock company down to the humble Lloyds "runner," who did not discuss the story.

The news was like a thunderbolt from a clear sky. The point most strongly argued was as to how many of the Lloyds were operating under bogus charters. The members of those concerns who felt that their time for writing fire risks on "improved" property was nearing an end hastily wired their attorneys "to come to the office at once," and supplemented their advices with the significant word, "important."

#### Must Show Their Hands.

The feeling predominated that it would soon be a case of "showing hands," and

those who had already been given a clean bill by Comptroller Roberts' man Shorer were only too eager to show that their right to continue had been assured. Each and every one approached, without exception, proceeded to show, when questioned, elaborate lists of solid business men who had agreed, under the old English chop house plan, so ingeniously devised by the Lloyds, to share a pro rata portion of any risk that might be reported as a loss on their books. What advice of Deputy Insurance Superintendent Vandergaw's statement that in the near future their business would be a thing of the past, with one accord they denounced the old life companies, which they claimed, were trying to drive them out of the business, and had seized a golden opportunity to question the validity of their charters.

#### Says His Firm is Sound.

J. S. Lockwood, of the firm of Adams, Lockwood & Forman, who conduct the Traders' Fire Lloyds, at No. 105 Broadway, said: "The law firm of Butler, Stillman & Hubbard examined our papers regarding us to do business as a Lloyds concern in July, 1894, and advised us that we were entitled to issue fire insurance contracts under the laws of 1882. We will stand upon them, and will not be driven off by the Lloyds. Benjamin T. Rheeds, Jr., attorney for the People's Fire Lloyds, at No. 106 Broadway, said:

"I have carefully read the Lloyds bogus charter articles which appeared in the Journal, and find that it contains a large amount of untruthful matter. I feel that it would be best that the entire Lloyds should be examined, and those who are found correct should be permitted to remain, and those who are found incorrect should be compelled to retire.

Some of the same which are wrong, and some which are right, and it would be better to have a definite and positive understanding as to their various liabilities, so that the public should be properly informed. We obtained our charter April 11, 1892, and feel that it is all correct. We were examined by Special Commissioner Shorer a week ago. He spent two days and advised us that our business is in first-class shape, and that we should be permitted to remain, and London Lloyds and the Broadway Lloyds, at No. 135 Broadway, said:

"If any one will look at the list of our subscribers he can see that we are all right. We never had anything to do with the men who are reported to be indicted."

#### Have No Fear of Trouble.

The assistant manager of the Provincial Lloyds, conducted by H. G. Cartwright & Co., at No. 54 Pine street, said:

"We fear no trouble because three scoundrels have duped some of our brothers in business. Our charters are all right and will stand the most rigid investigation. Our business methods are correct, too. It is a shame that the Lloyds system of conducting fire insurance is being so persistently attacked by the stock companies. Our time will come. It would not surprise me if any one of the public acting wise men had been swindled by the bogus charter makers.

#### Approve the Action.

Emery N. Downs, attorney and manager of the Knickerbocker Fire Lloyds, said yesterday:

"The members of the Consolidated Lloyds in business in New York City are all right and some months since, and to them his action was not new. I do not doubt that this will clear the Lloyds atmosphere, and the reputable Lloyds will be the gainers. The prominent insurance brokers in New York City have never taken a policy from any of the Lloyds except where indemnity was offered by reputable business men of an honorable standing and worth."

lumbia, Lafayette, South and North American, New York Central Bankers' and Merchants', Brewers' and Malsters', Manhattan, Protection and People's.

#### Would Make No Statement.

The office of the American Lloyds is on the third floor of the Stokes Building, No. 45, 47, 49 Cedar street, but Acting Manager Trowbridge refused to talk yesterday.

R. Bleecker Rathbone, of the firm of R. C. Rathbone & Son, general managers and attorneys of the Assurance Lloyds of America, stated that so far as the Assurance Lloyds was concerned, while it was a Lloyds in name, it was practically a stock company as to its finances and methods of doing business.

One of the firm of Rathbone & Durhrow, attorneys for the Mercantile, International and Hudson Lloyds said yesterday:

#### MUST QUIT BUSINESS.

Deputy Insurance Superintendent Declares a Majority of Lloyds Cannot Write Policies.

Deputy Insurance Superintendent Vandergaw said yesterday:

"When Mr. Richards gets through with some of these bogus insurance concerns they may well wish that they had never been born. I venture to say that fully 85 per cent of the Lloyds now operating in this State will have to go out of business when Mr. Richards' findings are made known.

"Some of the facts he has obtained are startling indeed. I am glad that this question of the legality of the Lloyds has come to a head at last. Our department has been 'pounded' by the insurance newspapers on this subject long enough. The backers of the Lloyds have contended for a long time that the State Insurance Department had no jurisdiction in the matter of defining their exact status in the field of insurance.

"Now, as to these bogus charters, I want to say that this department has given all possible aid to Deputy Attorney-General Richards in his present investigation. Allowing for argument's sake, that our hands were tied, the way has at last been found whereby the lot can be brought to book. Mr. Richards has worked faithfully and well in this matter, and the product of his labors will not be in vain."

## A BIG ICE GORGE BLOCKS THE HUDSON.

### Twenty Miles of Country Below Albany Has Been Flooded.

#### Ice Houses, Lumber Yards and Residences Damaged by the Floes.

#### THE CENTRAL'S TRACKS IMPASSABLE.

Six Hundred Men at Work Night and Day to Clear Away Debris—Help Asked of the War Department.

An ice gorge in the upper Hudson has flooded the twenty miles of country below Albany as it has not been flooded before in forty years.

It began on Saturday with the coming of the warm rains. Blocks of ice drifting down the swift current swept through the mouth of the Mohawk where that river enters the Hudson, joining forces with the floes in the main stream, and together rushing swiftly into the narrow about Poolsberg, these floes were met by the upgoing tide. That forced them aside and backward, so that they grounded along the banks, and, piling together, made a dam that stopped other cakes of ice on their way to the sea. Then, as the rain continued, more ice was added to the barrier, and finally with Monday's sudden cold all froze and welded together into a great gorge. The waters of the Mohawk and the Hudson, having no egress, spread out over the low lands on either side in a great flood.

Borne on the waters were vast masses of loose ice that ground together and shattered whatever object they came against. Houses near the shore were cut through like pasteboard boxes and deluged to the ceilings. Some were slewed around on their foundations, while others, their walls more solidly built, were crushed in. Fences and stacked lumber carried out into the open current hourly added material to the strengthening of the great dam.

#### ICE HOUSES DAMAGED.

The ice houses and long brick sheds along the banks were battered. But the greatest sufferer will be the New York Central Railroad. When the water rose twenty miles of their main tracks were inundated and heaped high with the ice and debris that six hundred men are now working

night and day to clear away. Solid masses of ice, tons in weight, were forced up by the action of the water and hurled against the roadbed, tearing away the ties for yards and twisting the rails out of shape. Looking over across the Hudson from Stuyvesant one can see great hummocks and mounds of broken, irregular ice blocks thrown up everywhere to an incredible height with valleys and gorges between.

Everywhere are the wrecks of small craft and scows and barges that lay wintering near shore when the freshet came. Most of these are broken in two, and lie bottom side up, half covered in the frozen hills.

Here and there big piles of lumber washed away entire from the yards lie stacked up. Everywhere gaunt trees, torn from the banks, stretch their branches into the air. It is almost a well placed scene—a powerful demonstration of the destructive force of the elements.

#### LIKE THE FRESHET OF '57.

From Hudson all the way up to East Albany this devastation extends. Old settlers talk of it with awe and wonder, and compare it with the great freshet of '57, when property thereabout suffered cruelly. Since that date there has been nothing like it. And the worst of it is that a rainstorm occurring within the next few days will add tenfold to the damage already wrought and pile the leechoked waters as high again. In fear of such a contingency the railroad company is bending all its energy to the demolition of the ice barriers. Six hundred men with pick and dynamite labor night and day in the dawd while that sweeps across the hard ice field to clear the way in time. They camp out there in the cars, and a train goes to and fro every day with provisions. Yesterday the one track was dug out as far as Schohack. There is a cooking establishment in the caboose, and long tables set up in the empty baggage cars where the men eat by companies of sixty. The men don't like to work in the cold wind on the long shifts, but the work has to be done. E. T. Slack, trainmaster of the Hudson Division, has the commissariat department in charge. He ran the first train through yesterday morning with provisions for the snowbound laborers. They got as far as Schohack, and there the cleared track ended. A gang working down from East Albany had got the southbound track clear as far as Castleton, and it was the intention of Superintendent Otis to join the ends before evening and run a train through by switching it at Schohack from the north to the southbound track.

Among the most striking instances of the flood's power are these:

The house of Walter Mann, near Cox-sackie, is one of those that is a complete wreck. It is a two-story structure, with a wing running back toward the river. The house stood some forty yards from the shore, but when the water rose it flooded the whole of the ground floor as high as the ceiling. A block of ice was thrown up that crashed in the rear addition, and catching the main structure in a corner, twisted the house around so that it stands facing ten degrees of the compass out of its true direction.

The Walsh Bros.' brick yards and long sheds were wrecked by the freshet. Ice blocks knocked holes in the walls and loosened the supporting props so that the roof fell. Half the lumber stacked on their ground was swept away into the centre of the current.

The Knickerbocker Ice Company's two storehouses, at Poolsberg, had their ribs carried away, as did all the ice houses with but one or two exceptions in the flooded section. There were thirty-six horses belonging to the Knickerbocker company stabled on Carleton Island. When the water rose, the employees have with great difficulty drove them over the loosened ice to the shore.

#### DYNAMITE IS NEEDED.

Yesterday Representative Southwick asked the War Department to have the engineers blow up with dynamite the great ice dam at Stuyvesant. Meantime the Hudson River road is doing hard work in the effort to get its trains running. Now most of the through trains for the west go by way of the Harlem division or branch off at Hudson to the Boston & Albany's line. This, of course, makes delay and two hours late is the fate of all the trains.

Last night Trainmaster Slack got one train through to Albany by using the up track part of the way and the down track the rest of the distance.

#### Short Bout His Mother.

Edward Short, twenty-two years old, of No. 285 West Twelfth street, was held a \$500 bail for trial by Magistrate Cornell yesterday on a charge of felonious assault preferred by his mother. Mrs. Short told the Magistrate that on Saturday night her son had beaten her so badly that she had to remain in bed all day Sunday. Her face was cut and bruised as the result of her son's cruelty.

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